

AM3386
LB 1085
CAS-03-28

AM3386
LB 1085
CAS-03-28

AMENDMENTS TO LB 1085

(Amendments to E & R amendments, AM7211)

1 1. Insert the following new sections:

2 "Section 1. (1) The Substance Abuse Treatment Fund is
3 created. The fund shall consist of money allocated to the fund
4 pursuant to sections 53-160 and 53-162, any money appropriated by
5 the Legislature, and any gifts, bequests, or other contributions
6 provided to the fund from any public or private entities.

7 (2) The interest from the money allocated pursuant to
8 sections 53-160 and 53-162, any money provided by the Legislature,
9 and any other gifts, bequests, or other contributions provided to
10 the fund shall be divided equally and distributed to the following
11 substance abuse treatment programs: (a) The Nebraska Correctional
12 Treatment Center Program and (b) substance abuse treatment programs
13 funded by the Division of Mental Health, Substance Abuse, and
14 Addiction Services of the Department of Health and Human Services.

15 (3) Any money in the Substance Abuse Treatment Fund
16 available for investment shall be invested by the state investment
17 officer pursuant to the Nebraska Capital Expansion Act and the
18 Nebraska State Funds Investment Act.

19 Sec. 2. Section 53-160, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 53-160. (1) For the purpose of raising revenue, a tax is
22 imposed upon the privilege of engaging in business as a
23 manufacturer or a wholesaler at a rate of ~~twenty-three~~ thirty-seven

AM3386
LB 1085
CAS-03-28

AM3386
LB 1085
CAS-03-28

1 cents per gallon on all beer; ~~seventy-five~~ one dollar and
2 twenty-five cents per gallon for wine containing not more than
3 fourteen percent but not less than five-tenths of one percent of
4 alcohol by volume and ~~one dollar and thirty-five~~ two dollars and
5 twenty-five cents per gallon for wines and other dilute alcoholic
6 beverages containing more than fourteen percent of alcohol by
7 volume, except for wines produced in farm wineries; ~~five~~ ten cents
8 per gallon for wine produced in farm wineries; and ~~three dollars~~
9 four dollars and fifty-five cents per gallon on alcohol and spirits
10 manufactured and sold by such manufacturer or shipped for sale in
11 this state by such wholesaler in the course of such business. The
12 gallonage tax imposed by this subsection shall be imposed only on
13 alcoholic liquor upon which a federal excise tax is imposed.

14 (2) Manufacturers or wholesalers of alcoholic liquor
15 shall be exempt from the payment of the gallonage tax on such
16 alcoholic liquor upon satisfactory proof, including bills of lading
17 furnished to the commission by affidavit or otherwise as the
18 commission may require, that such alcoholic liquor was manufactured
19 in this state but shipped out of the state for sale and consumption
20 outside this state.

21 (3) Dry wines or fortified wines manufactured or shipped
22 into this state solely and exclusively for sacramental purposes and
23 uses shall not be subject to the gallonage tax.

24 (4) The gallonage tax shall not be imposed upon any
25 alcoholic liquor, whether manufactured in or shipped into this
26 state, when sold to a licensed nonbeverage user for use in the
27 manufacture of any of the following when such products are unfit

AM3386
LB 1085
CAS-03-28

AM3386
LB 1085
CAS-03-28

1 for beverage purposes: Patent and proprietary medicines and
2 medicinal, antiseptic, and toilet preparations; flavoring extracts,
3 syrups, food products, and confections or candy; scientific,
4 industrial, and chemical products, except denatured alcohol; or
5 products for scientific, chemical, experimental, or mechanical
6 purposes.

7 (5) The gallonage tax shall not be imposed upon the
8 privilege of engaging in any business in interstate commerce or
9 otherwise, which business may not, under the Constitution and
10 statutes of the United States, be made the subject of taxation by
11 this state.

12 (6) The gallonage tax shall be in addition to all other
13 occupation or privilege taxes imposed by this state or by any
14 municipal corporation or political subdivision thereof.

15 (7) The commission shall collect the gallonage tax and
16 shall account for and remit to the State Treasurer at least once
17 each week all money collected pursuant to this section. If any
18 alcoholic liquor manufactured in or shipped into this state is sold
19 to a licensed manufacturer or wholesaler of this state to be used
20 solely as an ingredient in the manufacture of any beverage for
21 human consumption, the tax imposed upon such manufacturer or
22 wholesaler shall be reduced by the amount of the taxes which have
23 been paid as to such alcoholic liquor so used under the Nebraska
24 Liquor Control Act.

25 (8) The State Treasurer shall credit the net proceeds of
26 all revenue arising under this section ~~shall be credited~~ to the
27 General Fund and the Substance Abuse Treatment Fund as follows:

AM3386
LB 1085
CAS-03-28

AM3386
LB 1085
CAS-03-28

1 (a) Beer -- twenty-three cents per gallon to the General
2 Fund and fourteen cents per gallon to the Substance Abuse Treatment
3 Fund;

4 (b) Wine produced at farm wineries -- five cents per
5 gallon to the General Fund and five cents per gallon to the
6 Substance Abuse Treatment Fund;

7 (c) Other wine containing not more than fourteen percent
8 but not less than five-tenths of one percent of alcohol by volume
9 -- seventy-five cents per gallon to the General Fund and fifty
10 cents per gallon to the Substance Abuse Treatment Fund;

11 (d) Other wine and dilute alcoholic beverages containing
12 more than fourteen percent of alcohol by volume -- one dollar and
13 thirty-five cents per gallon to the General Fund and ninety cents
14 per gallon to the Substance Abuse Treatment Fund; and

15 (e) Alcohol and spirits manufactured and sold by such
16 manufacturer or shipped for sale in this state by a wholesaler --
17 three dollars per gallon to the General Fund and one dollar and
18 fifty-five cents per gallon to the Substance Abuse Treatment Fund.

19 Sec. 3. Section 53-162, Revised Statutes Supplement,
20 2001, is amended to read:

21 53-162. For the purpose of raising revenue, a tax is
22 imposed upon persons holding a shipping license issued pursuant to
23 subsection (4) of section 53-123.15 who ship alcoholic liquor to
24 individuals pursuant to section 53-192 and for which the required
25 taxes in the state of purchase or this state have not been paid.
26 The tax, if due, shall be paid by the holder of the shipping
27 license issued pursuant to subsection (4) of section 53-123.15.

AM3386
LB 1085
CAS-03-28

AM3386
LB 1085
CAS-03-28

1 The amount of the tax shall be imposed as provided in section
2 53-160. The tax shall be collected by the commission, except that
3 the tax shall not be due until December 31 of the year in which the
4 purchase was made. The tax shall be delinquent if unpaid within
5 twenty-five days after December 31. The revenue from the tax shall
6 be credited to the General Fund and the Substance Abuse Treatment
7 Fund pursuant to subsection (8) of section 53-160. The commission
8 shall adopt and promulgate rules and regulations to carry out this
9 section.".

10 2. Renumber the remaining sections accordingly and
11 correct the operative date section and the repealer so that the
12 sections added by this amendment become operative on July 1, 2002.